IN THE HIGH COURT OF JUDICATURE AT BOMBAY
APPELLATE SIDE
Writ Petition No.4578 of 2006

Sant Damaji Sahakari Sakhar Karkhana Ltd., Mangalwedha, Petitioners
Vs.
Vidyanand Co-op.Bank Ltd., Solapur and ors. Respondents

Mr.R.V.More for petitioners.
Mr.R.S.Apte for respondent no.1.

CORAM: B.H.MARLAPALLE,J.

July 20, 2006.

P.C.

. Heard Mr.More, the learned counsel for the petitioner and Mr.Apte, the learned counsel for the respondent-Bank.

. The petitioner-Karkhana is aggrieved by the order dated 14/6/2006 passed by the learned Member of the Maharashtra State Co-operate Appellate Court, Mumbai Bench thereby rejecting the prayer for stay to the award passed by the Co-operative Court and challenged in Appeal No.142 of 2006.

. The award of the Co-operative Court is based on the representation made by the present petitioner to the Maharashtra State Co-operative Bank that it

will pay to the respondent-Bank the loan amount disbursed and which is the subject matter in the disputes finally decided by the said Court.

. Mr.More, the learned counsel for the petitioner pointed out that the petitioner is a sick sugar factory and the award covers almost 600 contractors. He also stated that the petitioner - Karkhana is willing to stand by its commitment to pay the entire loan amount disbursed to all these contractors and which amount comes to around Rs.3 crores. There is no dispute that the Respondent - Bank will have to approach the Registrar, Co-operative Societies for seeking approval to such a proposal.

. The petition is, therefore, disposed off by directing the lower Appellate Court to hear and decide Appeal No.142 of 2006 as per law and as expeditiously as possible and preferably by 31st December 2006. The petitioner-Karkhana in the mean while to approach the respondent-Bank with a proposal to pay the principal amount covered by the award under challenge and in respect of the 600 contractors and such a proposal will be considered by the

Managing Committee of the Bank and then subsequently submitted to the Registrar, Co-operative Societies for approval. The petitioner shall submit such a proposal within a period of two weeks from today and the same shall be considered and forwarded to the Registrar, Co-operative Societies within four weeks thereafter and the Bank will act on the said proposal as per the decision of the Registrar, Co-operative Societies.

. During the pendency of the appeal the Karkhana has agreed to pay 10 per cent of the principal amount of the loan sought to be recovered from all these contractors and this amount will be deposited with the Bank within a period of six weeks from today. On such deposit being made the Bank will not proceed to take coercive steps for recovery, during the pendency of the appeal.

(B.H.MARLAPALLE,J.)